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SENSITIVE
SIPDIS
MOSCOW FOR DTRO-M/ACID
GENEVA FOR JCIC

E.O. 12958: N/A
TAGS: [PARM](#) [KACT](#) [START](#) [US](#) [RS](#)
SUBJECT: U.S. DISPUTE OF RUSSIAN START BILLS

REFS: A) STATE 027733
B) RNRRC FAX TO EMBASSY MOSCOW (DTRO-M/ACI),
DATED MAY 7, 2009
C) RNRRC FAX TO EMBASSY MOSCOW (DTRO-M/ACI),
DATED JULY 29, 2009

SENSITIVE BUT UNCLASSIFIED. PLEASE PROTECT ACCORDINGLY.

¶1. (U) This is an action cable (see paragraph 2).

¶2. (U) SUMMARY AND ACTION REQUEST. The Defense Threat Reduction Agency (DTRA) has reviewed itemized cost lists and bills associated with implementation of the Strategic Arms Reduction Treaty (START) (totaling 526,826.76 USD), and supporting documentation submitted by the Russian Nuclear Risk Reduction Center (RNRRC) for the billable period January 1, 2009, through June 30, 2009. Based on this review, DTRA is disputing charges totaling 7,996.73 USD and will be forwarding a 518,830.03 USD payment to the appropriate RNRRC account. DTRA will also be forwarding an additional 1,803.50 USD payment to the RNRRC account for previously disputed START costs for the earlier billable period July 1, 2008, through December 31, 2008 (Refs A and B). DTRA is also seeking confirmation from the RNRRC that bank account information provided by the RNRRC to Embassy Moscow (DTRO-M/ACI) on July 29, 2009 (Ref C) should be used for these and future U.S. START payments. In order to meet Treaty timelines, Embassy Moscow (DTRO-M/ACI) is requested to provide the information in paragraph 3 below to appropriate RNRRC officials at the earliest opportunity. END SUMMARY AND ACTION REQUEST.

¶3. (SBU) Begin text:

- The U.S. Defense Threat Reduction Agency (DTRA) has reviewed a May 7, 2009, response provided by the Russian Nuclear Risk Reduction Center (RNRRC) regarding disputed START charges for the billable period July 1, 2008, through December 31, 2008.

- Based on this review, DTRA will be forwarding, to the account designated by the RNRRC, an additional 1,803.50 USD payment. This payment is for:

-- Formerly disputed charges (totaling 109.72 USD) from RNRRC Bill 2008/2-11 for use of the "ZIL-130 dump truck";

-- Formerly disputed charges (totaling 35.06 USD) from RNRRC Bill 2008/2-11 for "waste reception and disposal on the territory of Spetskhzyaistvo"; and

-- Formerly disputed charges (totaling 1,658.72 USD)

for "work of loaders" and "grass mowing along perimeter" directly connected to services that are reimbursable under the Treaty.

- DTRA has also reviewed RNRRC START Treaty bills, totaling 526,826.76 USD, and supporting documentation for the billable period January 1, 2009, through June 30, 2009.

- Based on this review, DTRA is disputing charges totaling 7,996.73 USD from RNRRC Bill 2009/1-2 (30,570.57 USD) for START cost category number 2 (servicing for inspection airplanes). DTRA notes the disputed amount was calculated using the 1 USD = 32.2886R dollar/ruble conversion factor specified in the RNRRC supporting documentation).

- DTRA will be forwarding, to the account designated by the RNRRC, a 518,830.03 USD payment for the undisputed charges.

- The 7,996.73 USD disputed amount is comprised of the following:

- DTRA is disputing 3,720.20 USD for landing fees. DTRA requests clarification from the RNRRC regarding these charges in light of Treaty provisions and past cost settlement practices.

- DTRA is disputing 4,056.54 USD for "Extension of Workday" charges. DTRA requests clarification from the RNRRC regarding these charges taking into account Treaty provisions and past cost settlement practices.

- DTRA is disputing 26.45 USD for taxes charged for "Landing and Takeoff Passenger Steps" (taxes: 14.05 USD) and "Leading the Military Aircraft" (taxes: 12.40 USD). DTRA is not authorized to pay for taxes in accordance with long-standing U.S. Government policy.

- DTRA is disputing 193.54 USD (164.02 USD 29.52 USD in taxes) for "Providing Arrival-Departure" charges. DTRA requests clarification from the RNRRC on the services that were provided.

- Regarding the forthcoming DTRA payments of 1,803.50 USD (for the cost settlement period July 1, 2008, through December 31, 2008) and 518,830.03 USD (for the cost settlement period January 1, 2009, through June 30, 2009), DTRA requests confirmation from the RNRRC that the following bank account should be used for these and future U.S. START payments:

MINISTRY OF DEFENSE OF THE RUSSIAN FEDERATION
ACCOUNT NUMBER 40503840900030000257
JCS VTB BANK, RUSSIA, MOSCOW, VORONTSOVSKAYA STR., 43
SWIFT: VTBRRUMM
TO THE ACCOUNT NUMBER 890-0055-006 OF JSC VTB BANK WITH THE
BANK OF NEW YORK, NEW YORK, USA (SWIFT: IRVT US 3N)

End text.
CLINTON